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SUBJECT: KENYA: FIBER CUTS UNDERMINE GROWTH OF ICT SECTOR

REF: NAIROBI 992

¶1. SUMMARY: Fiber cuts are degrading the potentially positive impact of the new broadband Internet connections in Kenya. Kenya Data Networks (KDN), the country's largest private data carrier and infrastructure provider, has experienced 153 fiber cuts in the last three months. KDN suspects that two-thirds of the cuts are a result of sabotage by competitors. The fiber cuts are impacting the growth of the Information and Communications Technology (ICT) industry and mission operations. End Summary.

¶2. During 2009, two undersea fiber cables arrived in Mombasa providing Kenya with its first terrestrial fiber Internet links to the rest of the world (reftel). The promise of faster and cheaper Internet access through the privately funded South East Africa Communications (SEACOM) and the government funded The East African Marine System (TEAMS) cables, encouraged a great deal of excitement throughout Kenya regarding the future of its Information and Communications Technology (ICT) industry. In particular, investment was expected to increase in the business process outsourcing (BPO) and software development sectors of Kenya's nascent ICT industry. However, fiber cuts, many of them the result of sabotage, are degrading the potentially positive economic impact of the new fiber connections.

¶3. Over the last three months KDN, the largest private data carrier and infrastructure provider in Kenya, has experienced 153 fiber cuts. KDN estimates that two-thirds of the cuts, approximately 100, are a result of sabotage while the remaining cuts involve normal accidents such as construction-related digging. In the last three weeks alone, KDN has experienced three major cuts to the primary fiber pipe from Mombasa. KDN does not have a backup redundant pipe to Mombasa but expects to have one available by February 2010. KDN has purchased bandwidth on both undersea cables and will have undersea cable redundancy by the end of 2009. Other internet infrastructure providers, including Telkom Kenya, are also reporting sabotage from fiber cuts.

¶4. The Embassy contracts with KDN to provide a six megabyte per second fiber data pipeline. Embassy housing compounds, including the largest at Rosslyn Ridge, also contract with KDN to provide a residential Internet service via an ISP paid for by the residents. In November, the Embassy and Rosslyn Ridge were impacted ten times due to the fiber cuts. KDN retains satellite backup service but only at 15 percent of the fiber pipeline capability. Outages can take up to four hours or longer to repair before full service is restored. In one case, a KDN outage lasted three days due to multiple cuts on the main fiber connection.

¶5. Internet infrastructure providers suspect competitors of sabotaging the fiber pipelines. Emergency response teams have actually caught the people hired to cut the pipes. None of the major infrastructure providers cooperate to provide redundancy via a competitor's pipeline. However, a recent proposal by the Kenya telecoms regulator would force infrastructure providers to share network facilities and swap capacity.

¶6. COMMENT: Kenya needs cheap, reliable, broadband-speed access to the internet to boost competitiveness, create jobs in Kenya's nascent ICT and BPO industries, and deepen internet penetration to the general public. However, it appears that satellite internet providers and less nimble infrastructure providers are sabotaging Kenya's broadband future. Completion of the redundant cables and the proposal to force carriers to swap capacity should reduce the impacts of sabotage, eventually driving slower speed providers out of the market. End comment.

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